GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:40
ANSWERED ON:02.12.2003
LIFE SAVING DRUGS
GANTA SRINIVASA RAO

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Ministry have recommended to the Ministry of Finance (MoF)that all life saving drugs are to be exempted from customs and excise duties;

(b) if so, the details alongwith the reaction of the MoF thereto;

(c) whether the Union Government are aware of the fact that the drug users are being fully exploited by the wholesalers and retailers in the country; and

(d) if so, the steps proposed to be taken by the union Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (DR. CHHATTRA PAL SINGH)

(a)&(b): This Ministry had, inter-alia, recommended that if a drug is identified to be `life saving`, it should be subjected to zero customs duty and zero excise duty. The response of the Government is contained in the Finance Bill, 2003

(c)&(d): Fixation of prices of Scheduled drugs and formulations based thereon is an on-going process and is undertaken by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the Drugs (Prices Control) Order, 1995.For a Scheduled formulation, a manufacturer is required to follow the prices fixed by the government i.e., he cannot charge a price higher than the price fixed. For any violation of the price fixed, action is taken under the provisions of DPCO`95.

Prices of non-Scheduled formulations are fixed by the manufacturers themselves. However, the Government may, if it considers necessary, so to do in public interest, fix or revise the retail price of any formulation including a non-Scheduled formulation. The State Drug Control Authorities are the field level enforcing agencies for implementation of the prices fixed by the Government.